

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 8, 2021

Sunrise Crossing Apartments, located at 11295 Folsom Boulevard in Rancho Cordova, requested and is being recommended for a reservation of \$1,051,241 in annual federal tax credits to finance the new construction of 81 units of housing serving tenants with rents affordable to households earning 30-70% of area median income (AMI). The project requested \$875,000 in state tax credits, but due to the limited availability, is not being recommended any state tax credits. The project will be developed by St. Anton Communities, LLC and will be located in Senate District 8 and Assembly District 8.

Project Number CA-21-749

Project Name Sunrise Crossing Apartments
Site Address: 11295 Folsom Boulevard
Rancho Cordova, CA 95742 County: Sacramento
Census Tract: 89.08

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,051,241	\$875,000
Recommended:	\$1,051,241	\$0

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Sunrise Crossing Affordable, LP
Contact: Sahar Soltani
Address: 1801 I Street, Suite 200
Sacramento, CA 95811
Phone: (916) 471-3000
Email: ss@antoncap.com

General Partner(s) or Principal Owner(s): St. Anton Sunrise Crossing Affordable, LLC
PacH Anton South Holdings, LLC

General Partner Type: Joint Venture

Parent Company(ies): Blue Bronco, LLC
Pacific Housing, Inc.

Developer: St. Anton Communities, LLC

Bond Issuer: CalPFA

Investor/Consultant: Boston Financial Investment Management, LP

Management Agent: St. Anton Multifamily, Inc

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 4
 Total # of Units: 82
 No. / % of Low Income Units: 81 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: Capital Region
 TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 9	11%
50% AMI: 9	11%
60% AMI: 46	57%
70% AMI: 17	21%

Unit Mix

12 SRO/Studio Units
50 1-Bedroom Units
20 2-Bedroom Units
82 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 SRO/Studio	70%	\$1,111
7 SRO/Studio	60%	\$952
1 SRO/Studio	50%	\$793
1 SRO/Studio	30%	\$476
10 1 Bedroom	70%	\$1,190
28 1 Bedroom	60%	\$1,020
6 1 Bedroom	50%	\$850
6 1 Bedroom	30%	\$510
4 2 Bedrooms	70%	\$1,428
11 2 Bedrooms	60%	\$1,224
2 2 Bedrooms	50%	\$1,020
2 2 Bedrooms	30%	\$612
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,239,775
Construction Costs	\$13,361,772
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$664,079
Soft Cost Contingency	\$69,949
Relocation	\$0
Architectural/Engineering	\$432,180
Const. Interest, Perm. Financing	\$1,517,230
Legal Fees	\$180,000
Reserves	\$201,003
Other Costs	\$2,369,426
Developer Fee	\$2,630,000
Commercial Costs	\$0
Total	\$23,665,414

Residential

Construction Cost Per Square Foot:	\$241
Per Unit Cost:	\$288,603
True Cash Per Unit Cost*:	\$275,992

Construction Financing

Source	Amount
Banner Bank - Tax-Exempt	\$11,470,000
Banner Bank - Taxable	\$6,400,000
City of Rancho Cordova SL**	\$2,624,000
Tax Credit Equity	\$1,000,000

Permanent Financing

Source	Amount
Banner Bank - Tax-Exempt	\$8,620,000
City of Rancho Cordova SL**	\$2,624,000
Pre-Conversion NOI	\$227,716
Deferred Interest on SL**	\$157,440
Deferred Developer Fee	\$1,034,096
State Credit Backfill (TBD)	\$700,000
Tax Credit Equity	\$10,302,162
TOTAL	\$23,665,414

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Subordinate Loan

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$20,216,172
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$26,281,024
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,051,241
Total State Credit:	\$0
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,630,000
Investor/Consultant:	Boston Financial Investment Management, LP
Federal Tax Credit Factor:	\$0.98000
State Tax Credit Factor:	\$0.80000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.